Succession Planning
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Agenda

• Succession Planning in Native Cultures
• What is succession planning? Why do it?
Succession planning in Native Cultures

• How and why were leaders chosen?
• How did these traditional leaders learn to lead?
• Are there traditional ways that leaders were groomed that can serve as models for coaching/mentoring future leaders in your organization and community?

What is Succession Planning? Business Continuation Planning?

• *Succession Planning is a process to guide your organization through the transition from one Executive Director to the next.*
  – *It comes in two flavors: Emergency and Departure Defined*
• *Business Continuation Planning is a process to prepare for the future of your organization.* It includes Succession Planning but is broader, to include making the company secure if any senior person left, either in an emergency or a planned manner.
• Business Continuation Planning helps guarantee your organization and your vision will continue into the future.
• Succession planning is an element of leadership – which is about preparing the organization for change and dealing with the issues of loss.
• This is scary stuff and most of us put it off for as long as possible, but doing this will reap benefits for your organization beyond the actual succession event.
Why Do Succession Planning?

- How many people here have had a critical person leave in the last three years? What was some of the fallout?
- What is your timeframe for leaving your organization?
  a. Next year?
  b. One to two years?
  c. Two to five years?
  d. Five to ten?
  e. Over ten?
  f. I’m never leaving

Challenges and Solutions: Retaining good staff

- What are the biggest challenges to keeping good staff at your CDFI?
Techniques to build resilience

- Annual Reviews
- Managing relationships, skills, or expertise owned by one person
- Individual Professional Development Plans
- Other?

Managing Relationships or skills owned by one person

- Steps:
  1. Identify vulnerabilities
  2. Create a plan to strengthen your organization by resolving these vulnerabilities
  3. Implement the plan
- Doing this will also:
  - Give junior people opportunities to test out skills and grow
  - Make it easier for people to take their time off
  - Broaden the public face of the company
Managing Relationships or skills owned by one person

- Stakeholder relationships:
  - Which relationships that are critical to your company are “owned” by just one person?

- Expertise or process:
  - What vital expertise or knowledge of how to do something at your company is “owned” by just one person?
  - What processes do you do over and over again but are not written down?

- Identify the top five stakeholders that only know one person at your company. Figure out who else from your organization should be involved. Bring them along to your next meeting or conference.

- Identify the top five areas of skills or process knowledge owned by just one person. Figure out who else in the company should be brought up to speed. Train that person.

- In year two identify the next five relationships and the next five skills/processes. “Rinse and repeat.”

Sharing relationships

- Critical relationships could include:
  - Funders
  - Government officials
  - Community leaders
  - Partners / competitors

- Who to bring into relationship? Staff / Board

- How to share these relationships?
  - Share the background and any “back story”
  - Begin to bring the person in on calls, meetings
  - When comfortable have them become backup, take over the less critical tasks
  - Be clear about the goal: sharing or transfer of relationship
Sharing Skills / process / knowledge

- **Critical skills / process / knowledge:**
  - Special software only one person can use
  - Only one person knows how to apply for a critical grant or fill out a certain funder report
  - Executive Director is the only staff who knows what is going on with the Board

- **How to share skills / process / knowledge:**
  - Shadowing and practice with staff member
  - Training
  - Identify outside freelancer who could help out
  - Write down critical processes / update periodically

Process to develop a succession plan

1. Decide if you want / need a consultant to facilitate the process
2. Form a Board Committee to develop the Succession Plan
   a. Review and update the Executive Director’s Job Description
   b. Check to see if compensation is in line with what will attract good candidates
   c. Identify the key spokesperson in the event of a transition & draft a communications plan
   d. Draft the Plan
3. Gain approval for the Plan at the Board level
4. Explain Plan to employees, key funders/investors, and any other stakeholders
5. Define Board’s role in supporting new Executive Director
Special Challenges in Succession planning

- Founders / first person in the organization to hold the position
- Small organizations (especially one staff person organizations)
- Recruiting in Indian Country
- Executive Directors with both managerial and operational roles
- Succession planning sometimes reveals challenges in the organization that have been long overlooked, like:
  - A dysfunctional or disengaged board,
  - Operational funding overly dependent on the Executive Director,
  - Lack of a clear personnel evaluation process,
  - Lack of financial reserves, or
  - Lack of a permanent way to store institutional knowledge.

Succession planning roles

- **Board Members**
  - Develop and approve plan, Executive Director’s job description, and compensation
  - Choose search firm (if used)
  - Interview candidates and hire Executive Director
  - Extra support for Executive Director in year one-two
- **Executive Director**
  - Help Board understand true role
  - Be clear about plans to leave
  - Help orient new Executive Director
  - Ongoing role with the organization?
- **Other Staff**
  - Provide needed information to Board Committee
  - Possible inside candidate
- **Consultant and Search Firm**
  - Could assist with revising job description & compensation analysis
  - Facilitate the succession planning drafting process
  - Advertise / post position & organize networking
  - Review resumes and recommend top candidates
  - Organize interview process
  - Check references
  - Assist with making the offer
  - Guide the announcement of new leader
Content of a planned transition plan

I. Purpose
II. Definitions
III. Advance Notice
IV. Communications Plan
V. Search Process
VI. Interim Management (if necessary)
VII. Additional Compensation for Acting Executive Director
VIII. Cross training for interim appointee
IX. Use of an Interim Executive Director
X. Overlap time with existing Executive Director
XI. Board of Director’s Role in supporting new Executive Director
XII. How this plan will be updated

Emergency Transition Plan

- Only differences are:
  - Definitions of temporary and planned absence
  - More likely to use an Interim Executive Director
Appendices

A. Current Executive Director’s Job Description
B. Current Executive Director’s Compensation and benefits
C. Current list of investors, funders, and other key stakeholders
D. Current list (or how to extract the list) of Customers and Recent Customers
E. Places to Advertise the Executive Director’s Position
F. List of potential Search Firms or consultants

Concluding conversation

• What remaining questions or concerns do you have about succession planning?
• What steps will you take to make your Native CDFI more resilient immediately upon returning home?
• In the next month?